

~~CONFIDENTIAL~~

28 October 1954

MEMORANDUM FOR: Chief, Strategic Controls Support Branch
Attn: [REDACTED]

25X1A9a

SUBJECT : IWG (EDIC) / Export Control Section Report for
October 1954

Summary
During October the Intelligence Working Group (now EDIC) gave further consideration to the OIR economic defense staffing proposal. The problem of processing the commodity intelligence furnished JOC for record and/or assessment purposes, was given additional review. IAC approval was obtained to change the name of IWG to Economic Defense Intelligence Committee. The Executive Secretary arranged one IWG meeting during the month (the Acting Chairman was not available during half of the month). In addition, he held conferences with a representative of the Department of Defense on the subject of collection requirements for economic defense, with the Security Control Staff on security certifications of IWG members, and with another CIA office on intelligence regarding Soviet trade trends and tactics.

The Export Control Section serviced over 40 requests for information and/or documentary references and made good headway in consolidating and organizing reference files.

~~CONFIDENTIAL~~

CONFIDENTIAL

The IWG approved in principle the OIR economic defense staffing proposal, but decided to request assurances from the Chairman, Executive Committee, that spot requests from EDAC agencies will normally be directed to the agency primarily responsible under the provisions of DCID 15/1. With regard to the processing of commodity intelligence furnished JOC during the security list review, the IWG concluded that the utility to be derived from such a project could not be justified in terms of the manhours required. A representative of D/E suggested that the intelligence material provided JOC by CIA during the several list reviews, which had been assembled centrally in CIA (D/E/RR), could serve as a reference file for the intelligence community. As a corollary effort, it was agreed that the IWG Secretariat undertake, on a trial basis, the preparation of a monthly inventory of all projects, completed or in process within the intelligence community which are considered directly relevant to the needs of the economic defense program.

At its October meeting the IWG also heard a briefing on economic defense activities in CIA, approved an MDAC request for an IWG intelligence study on Soviet bloc and Western European production and uses of indium, and concurred in the MDAC proposal that JOC, rather than IWG, prepare a list of decontrolled commodities the movement of which should be traced. The Acting Chairman reported on: (a) the first meeting of an ad hoc EDAC subgroup studying the principal conclusions of the Schelling report on "Soviet Economic Trends and Their Implications for

- 2 -

CONFIDENTIAL

CONFIDENTIAL

East-West Trade"; (b) progress made by the Far Eastern Economic Defense Working Group of EDAC regarding the differential controls problem;

and

25X1X7

of 1

and

In connection with his responsibility to IWG, the Executive Secretary prepared an acknowledgment to OSD, indicating that all correspondence between the Intelligence Working Group and the Department of Defense, including the three military departments, will be directed through the Department of Defense member of the DCN whenever the subject matter falls clearly within DCN terms of reference. Representatives of the Office of Training and the EIC were furnished information on the relationship of the EDIC to IAC and EDAC. A memorandum was furnished Security Control Staff, SO, on the security clearance of IWG members and associates for the purpose of insuring, insofar as possible, that records maintained by the IWG Secretariat are consistent with those in the Security Control Staff. The Executive Secretary discussed with a member of the Industrial Register the significance to IR activity of the suggested research program outlined in the MDAC draft framework of research and analysis based on the Schelling report. In connection with a request from the Office of the Deputy Director for material to be used in a budget briefing a statement on achievements of the IWG

- 3 -

CONFIDENTIAL

CONFIDENTIAL

during the period July 1953 - June 1954 in improving the collection and production of intelligence was prepared. The Executive Secretary participated in drafting of the consolidated D/E submission on this subject. A quarterly report of IWG activity for the period July - September 1954 was prepared.

As a member of D/E, the Executive Secretary attended a conference in another office of the Agency on the availability of intelligence on specific instances of Soviet bloc intransigence in the trade field, e.g., Soviet nonfulfillment of trade contracts. He also arranged for providing that office with information available in the E Area on a certain commodity which in the opinion of that office should be placed under international embargo. The Executive Secretary collaborated with a member of E/ST in assisting a representative of the Department of Defense in the preparation of a comprehensive set of collection requirements covering all aspects of East-West trade diversions for use of G-2 and its military attaches. G-2 is preparing these requirements in response to the Secretary of Defense directive which instructed the three military services to intensify their collection and research effort in the field of economic defense.

In its consolidation and coordination of reference material, the Export Control Section undertook the establishment of a card file index by subject and number of all COCOM and CHINCOM documents available in E/C. A member of this Section spent approximately two weeks in typing

- 4 -

CONFIDENTIAL

CONFIDENTIAL

and assembling the Consultant's report on Intelligence Support for Economic Warfare. 635 EXCON cables and dispatches were scanned and marked for file, approximately twice the number processed during the month of September.

Several assignments have been made to the Executive Secretary, on which no substantial progress has been made. He has been requested by the Ch/C to prepare (a) a list of categories of intelligence for economic defense support, indicating areas of overlapping interest, references, and documentary justifications, (b) a statement of procedures for transmittal of current economic defense and/or "indicator" intelligence to action agencies, and (c) a monthly inventory of all intelligence projects considered directly relevant to the economic defense program.

25X1A9a
[REDACTED]

Distribution

Orig - [REDACTED] 25X1A9a
1 - IWG File

CONFIDENTIAL